GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:2193
ANSWERED ON:28.07.2017
Interest on Subsidy
Premachandran Shri N.K.

Will the Minister of FINANCE be pleased to state:

(a) whether the Government has noticed that the banks are charging interest on the subsidy amount sanctioned for self employed and transferred to the bank accounts till the clearing of the loans given under various self employment schemes;
(b) if so, the details thereof; and

(c) the action taken by the Government to provide a split up of loan details, loan amount, interest, subsidy sanctioned etc. to the entrepreneur through online facility in this regard?

Answer

(MINISTER OF STATE IN THE MINISTRY OF FINANCE)

(a) & (b): No such instances have come to the notice of Government. As per the guidelines of self employment schemes such as Prime Minister's Employment Generation Programme (PMEGP), the subsidy sanctioned is kept as a non interest bearing deposit and no interest is charged by the bank on equivalent loan amount.

(C): The PMEGP-e- Portal provides information to the entrepreneur on total project cost, amount of loan sanctioned, amount of own contribution deposited, margin money claimed and deposited.
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